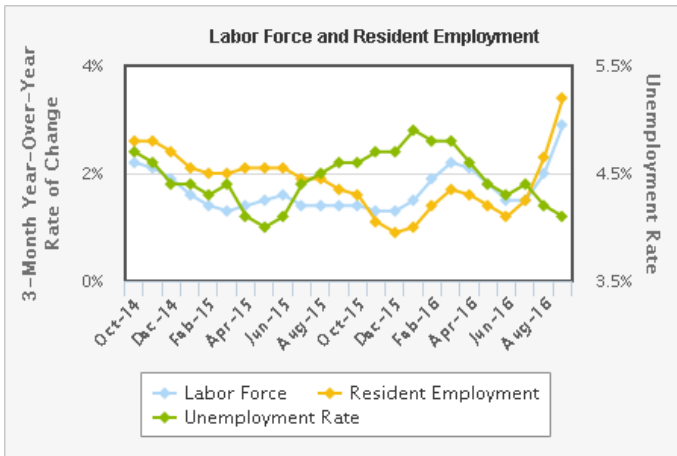
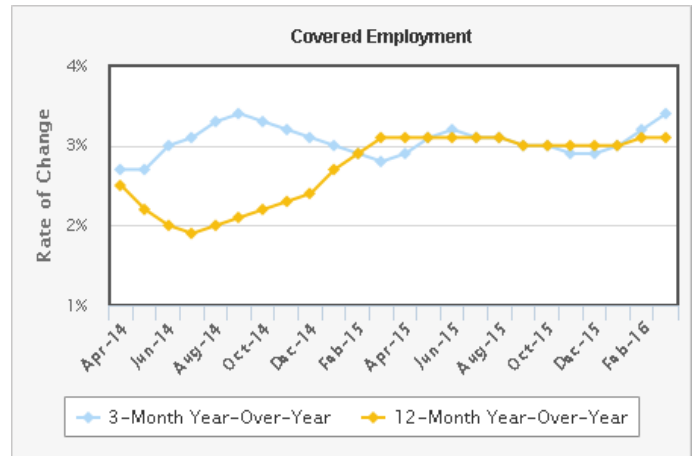


### ECONOMIC CONDITIONS



Data Source: U.S. Bureau of Labor Statistics



Data Source: U.S. Bureau of Labor Statistics

|                              | 3-Month Average |                |                | 3-Month Year-Over-Year Change    |                                  |                                  |                                  |
|------------------------------|-----------------|----------------|----------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
|                              | September 2014  | September 2015 | September 2016 | September 2014 to September 2015 | September 2015 to September 2016 | September 2014 to September 2015 | September 2015 to September 2016 |
|                              |                 |                |                | Number                           | Percent                          | Number                           | Percent                          |
| <b>Labor Force</b>           | 1,165,177       | 1,180,960      | 1,215,553      | 15,783                           | 1.4                              | 34,593                           | 2.9                              |
| <b>Resident Employment</b>   | 1,108,021       | 1,127,216      | 1,165,910      | 19,195                           | 1.7                              | 38,694                           | 3.4                              |
| <b>Unemployment Rate (%)</b> | 4.9             | 4.6            | 4.1            | n/a                              | n/a                              | n/a                              | n/a                              |
|                              | March 2014      | March 2015     | March 2016     | March 2014 to March 2015         |                                  | March 2015 to March 2016         |                                  |
|                              | 2014            | 2015           | 2016           | Number                           | Percent                          | Number                           | Percent                          |
| <b>Covered Employment</b>    | 1,210,724       | 1,244,558      | 1,287,346      | 33,834                           | 2.8                              | 42,788                           | 3.4                              |

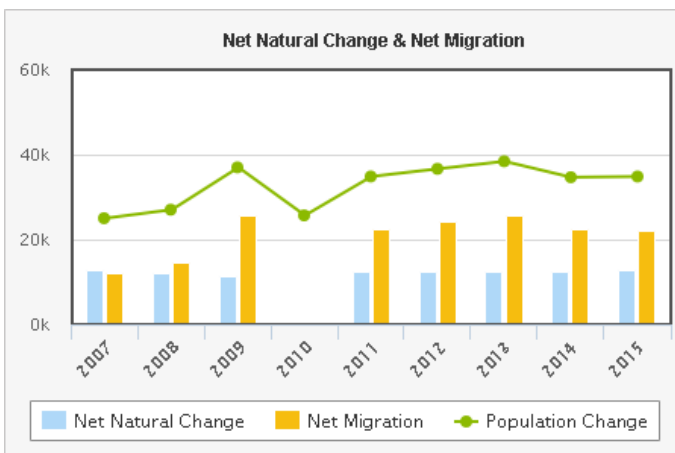
Data Source: U.S. Bureau of Labor Statistics

### POPULATION & HOUSEHOLDS

|            | Decennial Census |               |                       |         | ACS & Population Estimates Program |              |              |              |         |              |         |        |         |
|------------|------------------|---------------|-----------------------|---------|------------------------------------|--------------|--------------|--------------|---------|--------------|---------|--------|---------|
|            | April<br>2000    | April<br>2010 | Average Annual Change |         | July<br>2013                       | July<br>2014 | July<br>2015 | 2013 to 2014 |         | 2014 to 2015 |         |        |         |
|            |                  |               |                       |         |                                    |              |              | Number       | Percent | Number       | Percent | Number | Percent |
|            |                  |               | Number                | Percent |                                    |              |              |              |         |              |         |        |         |
| Population | 1,737,034        | 1,931,249     | 19,422                | 1.1     | 2,047,618                          | 2,082,288    | 2,117,125    | 34,670       | 1.7     | 34,837       | 1.7     |        |         |
| Households | 710,916          | 789,232       | 7,832                 | 1.1     | 819,434                            | 825,188      | 845,990      | 5,754        | 0.7     | 20,802       | 2.5     |        |         |

Data Source: 1 - 2000 Census; 2010 Census; U.S. Census Bureau Population Estimates

2 - 2000 Census; 2010 Census; 2013, 2014 and 2015 American Community Surveys (1 - Year)



Data Source: U.S. Census Bureau Population Estimates

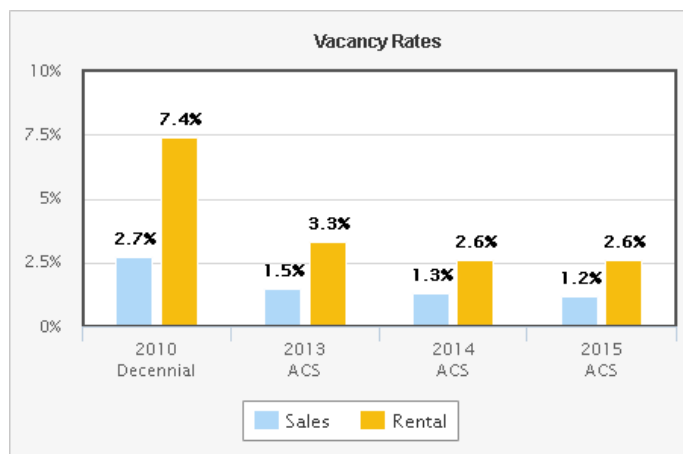
Notes: 1 - Values in chart reflect July year-to-year changes  
2 - Net Migration includes residual population change

### Economic Trends and Population and Household Trends

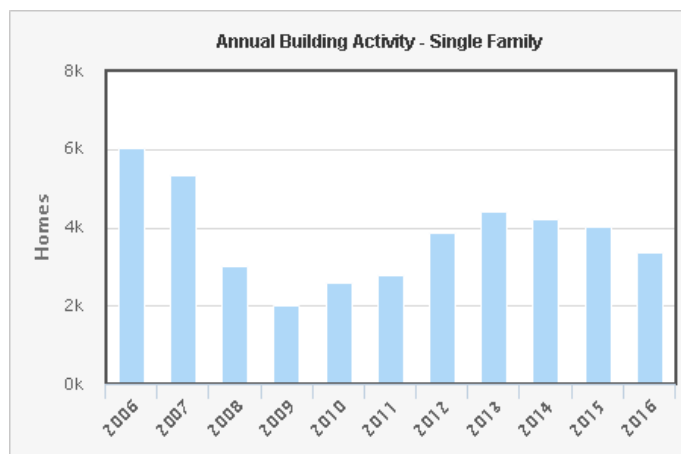
King County is part of the Seattle-Bellevue-Everett metropolitan division along with Snohomish County. As of December 1, 2015, there were an estimated 2.08 million people and 838,000 households residing in the King County, reflecting average annual growth rates of 1.3 and 1.1 percent, respectively, since 2010.

Job growth slowed in King County during the 2nd quarter of 2016 compared with the 2nd quarter of 2015, as resident employment increased by 13,600 jobs, or 1.2 percent, to 1.15 million jobs. By comparison, employment increased by 23,250 jobs, or 2.1 percent, from the 2nd quarter of 2014 to the 2nd quarter of 2015. The unemployment rate averaged 4.3 percent during the 2nd quarter of 2016, up from 4.1 percent a year earlier.

The metropolitan area is home to some of the largest employers in Washington, including The Boeing Company with 76,450 employees, Microsoft Corporation with 40,300 employees, and the University of Washington with 27,900 employees (King County Economic Development). Amazon.com, Inc. has its global headquarters in the South Lake Union neighborhood of Seattle. Employment figures are not publically available, but it is estimated that Amazon.com employs close to 20,000 people. Construction began in 2013 on the new Amazon.com world headquarters in downtown Seattle which will consist of an estimated 4 million square feet of office space within 3 high-rise towers, with the potential to create an estimated 23,000 jobs upon completion in 2019.



Data Source: 2010 Census; 2013, 2014 and 2015 American Community Surveys (1 - Year)

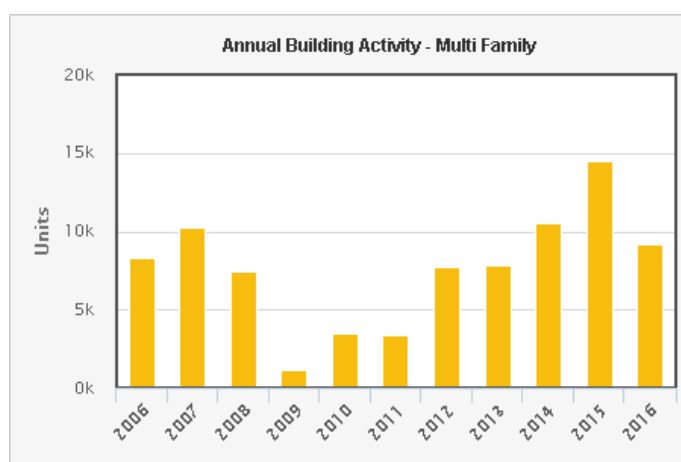


Data Source: U.S. Census Bureau, Building Permits Survey; adjustments by analyst

Note: Data for 2016 is preliminary, through September 2016

| Housing Inventory by Tenure |                   |             |             |             |
|-----------------------------|-------------------|-------------|-------------|-------------|
|                             | 2010<br>Decennial | 2013<br>ACS | 2014<br>ACS | 2015<br>ACS |
| <b>Total Housing Units</b>  | 851,261           | 868,388     | 880,488     | 893,176     |
| <b>Occupied</b>             | 789,232           | 819,434     | 825,188     | 845,990     |
| <b>Owners</b>               | 466,718           | 462,885     | 470,638     | 490,929     |
| <b>% Owners</b>             | 59.1              | 56.5        | 57.0        | 58.0        |
| <b>Renters</b>              | 322,514           | 356,549     | 354,550     | 355,061     |
| <b>% Renters</b>            | 40.9              | 43.5        | 43.0        | 42.0        |
| <b>Total Vacant</b>         | 62,029            | 48,954      | 55,300      | 47,186      |
| <b>Available for Sale</b>   | 12,750            | 7,010       | 5,998       | 5,789       |
| <b>Available for Rent</b>   | 25,812            | 12,311      | 9,407       | 9,599       |
| <b>Other Vacant</b>         | 23,467            | 29,633      | 39,895      | 31,798      |

Data Source: 2010 Census; 2013, 2014 and 2015 American Community Surveys (1 - Year)



Data Source: U.S. Census Bureau, Building Permits Survey; adjustments by analyst

Note: Data for 2016 is preliminary, through September 2016

### Housing Market Conditions Summary

The sales housing market is slightly tight with an estimated vacancy rate of 1.2 percent as of December 1, 2015, down from 2.7 percent in 2010. There were 9,775 existing homes sold during 3 months ending (TME) May 2016, down almost 1 percent from the number of homes sold during the TME May 2015 (CoreLogic, Inc. and adjustments by the analyst). The average sales price was \$557,500, up 9 percent from a year ago. Approximately 990 new homes sold during the TME May 2016, down 5 percent from a year ago; however, the average sales price increased 14 percent to \$745,200. Building permits were issued for approximately 1,300 single-family homes during 2nd quarter of 2016, up 24 percent compared with a year ago (preliminary data).

The rental housing market is tight with an overall estimated vacancy rate of 4.2 percent as of December 1, 2015, down from 5.2 percent in 2010. The apartment vacancy rate was 3.4 percent as of March 2016 (Dupre+Scott) up slightly from 3.3 percent a year earlier. During the same time, the average rent increased by 9 percent to \$1,493, averaging 1,425 for studio units, \$1,801 for one-bedroom units, \$2,071 for two-bedroom/one-bathroom units, and \$2,371 for three-bedroom units. There were 3,625 multifamily units permitted during the 2nd quarter of 2016, up 27 percent compared with the 1,050 multifamily permits issued during 2nd quarter of 2015 (preliminary data).

| Rental Housing Supply     |       |
|---------------------------|-------|
| <b>Under Construction</b> | 17000 |
| <b>In Planning</b>        |       |

Data Source: Estimates by analyst

Note: Units in Planning have not been permitted, but are expected to be completed within 3 years

For additional information, please contact: Holi Woods-Weaver  
 holi.m.woods-weaver@hud.gov  
 206-220-5291